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Governor

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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS APRIL 2012

ADMINISTRATION (ALAN)

1. Conducted AML inventory work near Sylvania in Esmeralda County.
2. Assisted Pete in the investigation of AML sites on the Buckeye patented claim in Virginia City. Met with Steve Saylor and his crew to determine securing methods.
3. Discussed AML policy on private land with Richard Moorehead of Newmont concerning private land leased by Newmont.
4. Participated in an AML foam closure on Red Hill behind the DRI.
5. Sent letter to the House of Representatives Resource Committee concerning AML hazards in the parcel of land proposed for a land transfer near Yerington and the Nevada Copper Pumpkin Hollow mine.
6. Provided the Governor's Office with a brief summary of the economic benefits of mining in Nevada.
7. Completed the review of the MOU between NDOM and BLM concerning the Bond Pool.
8. Visited the securing work at the Burrus Mine with Commissioner Snow.
9. Met to discuss the expanded exploration survey with Commissioner Bryan and representatives of the NBMG.
10. Assisted the Secretary of State's office with information concerning questionable mine sites near Fallon.
11. Sent a letter to Governor Sandoval from the CMR concerning the continued payment of geothermal royalties from BLM to the counties.
12. Issued letter to Homestretch Geothermal concerning a waiver of reinjection for NDOM permitted wells at the Wabuska geothermal power plant.
13. Held a conference call, with Commissioner Snow, Lowell, and representatives of NDOW to discuss geothermal drilling sumps and appropriate fencing and closure methods.
14. Met with representatives of BLM, Lowell, and Commissioner Snow to discuss oil and gas leasing issues in Railroad Valley.
15. Attended a meeting of the IFC with Jon Price and Jim Faulds of the NBMG. The two NDOM work programs, funding projects at NBMG and creating the new field specialist position, were passed.
16. Met with members of the Mackay EAB Marigold Royalty Committee.
17. Travelled to Las Vegas to assist in the Nevada Earth Science Teacher's Workshop.

RECLAMATION BOND POOL (MIKE)

1. Processed bonds for Wolfpack Gold's Castle Black Rock project, Cordex's Brown's Canyon and Antelope Projects, Max Resource's Majuba Hill project and Montezuma Mines' North Sleeper project.
2. Processed increase for TXAU's bond at Isabella Pearl project.

3. Processed bond refunds for Cypress Development on their Gunman Project and Max Resource's bond for their Ravin Project.
4. Communicated with Clancy Wendt (Max Resource Corp.) regarding vendor registration and the outstanding partial refund of bond deposit on the Ravin Project.
5. Answered bonding questions from Tom Serenko (Nevada Cement) regarding bonding costs and alternate sources. They plan to add their current bond for Relief Canyon project to existing corporate bond and exit the NDOM bond pool.
6. Worked with Lacy Trapp (BLM-NSO) to resolve questions involving bond pool member Nevada Bentonite and their request for name and operator change back to Specialty Clays. Researched history of management changes and current status on Secretary of State's business entity website. Spoke with Carolyn Kramer (Secretary/Treasurer with Specialty Clays) regarding past due bond premium and need for new bond agreements to be signed by current company president. Worked with Lacy and new ownership at Specialty Clays to resolve documentation issues related to their Plan-level reclamation bond. Spoke with underlying claimant Robert Patrie to facilitate accurate exchange of information.
7. Reconciled March activity in bond pool account; zero variance. Submitted spreadsheet to Eric Scheetz (Controller's Office).

MINING, LAND AND OTHER ISSUES (MIKE)

1. Assisted Detective James Patterson (Austin, TX) with information on labs in the greater Fallon-Lovelock area which may have conducted minerals analysis or metallurgical testing. Provided him with a basic understanding of how assay labs generally operate to ascertain whether the information provided him by a murder suspect is reasonable from a technical standpoint. Spoke with Lesly Lage (McClelland Labs) about area contacts and history of labs in the region. Her contact information was also provided to Detective Patterson.
2. Reviewed the February CMR meeting minutes and made minor corrections. Provided a copy to LCB analyst, along with additional explanation, for clarification on the work program for money to Bristlecone Audubon for their plastic claim post removal projects.
3. Assisted Jenni Jeffers (NDOW) with UG bat surveys at ten AML features in Douglas County and one in Lyon County. Significant bat habitat was determined at five of the sites and will be recommended for gating. The remaining five will be recommended for PUF closure.
4. Conducted ownership research on AML sites from GUANO list to update status and assist with gate prioritization.
5. Contractors Kate Schnoor and Murya Dube continued ownership research on current list of "unknowns" in AML database.
6. Contractor EPS conducted inventory and revisit work in Pershing County. They logged 18 new hazards, 30 non-hazards and revisited/repared 66.
7. Conducted additional research for the Secretary of State's Office related to illegal activities at a possible mining smelter near Fallon.
8. Assisted with and supervised hard closure of three AML features by EPS on Washoe County-owned parcel (Red Hill). Two features closed with PUF, another with vandal-resistant bat gate. Logged 13 additional non-hazards in the vicinity.

9. Met with Linda Wimberley (GRG Resources) to accept and review her data package detailing their recent AML securing efforts on private property west of Yerington.
10. Worked with State Mine Inspector's office to calibrate old UG gas meter and get information on replacement requirements.
11. Completed execution of right-of-entry documents for hard closure work planned at Red Hill (Washoe County Parks) and Burrus (UNR-Mackay) later this month.
12. Assisted New York CPA with request for information on current tax, ownership, and assessment status of two patented mining claims in Lyon County.
13. Ordered down hole color camera unit from Geovision to complement existing down hole assessment capabilities.
14. Worked with Susan McCabe (BLM-CC) to schedule and work out field details for archaeological resource recognition training class required for interns and contractors.
15. Two acts of arson and vandalism occurred during the week work was performed at Burrus, presumably at night. Several large and historic timbers were stolen from a shaft collar and timbered ore load-out. The load-out was subsequently burned to the ground and was still smoldering when discovered. Fireworks were used to start an underground fire at the first (adit) level of the Burrus shaft, which was put out the next morning with the help of EPS personnel.
16. Coordinated and supervised ten student members of the Mackay Rockhounds and their efforts to assist EPS with trash pick-up on the Mackay-owned parcel. Approximately 20 cubic yards of trash was collected. Additional trash was collected from surrounding BLM-managed public lands.
17. Assisted with and supervised hard closure efforts by EPS at UNR Mackay-owned Burrus Mine parcel. Repairs were made to the existing cupola, a new vandal-resistant gate was installed at upper adit, a concrete plug installed in the lower adit, and two shafts plugged with PUF and fill. George Bishop and contractor Kate Schnoor assisted with the PUF closure work.
18. Clipped AML database to reflect previously inventoried hazards which fall within proposed Yerington land conveyance and provided spreadsheet to Administrator.

AML / PUBLIC AWARENESS - NORTH (PETE)

1. Began coordinating another effort to identify, secure and/or close highly hazardous AML sites along the V & T Railroad line and the Virginia City highway corridors along with other areas that are easily accessible by the public. Alan and I met with Mr. Steven Saylor and Mr. Tom Hopper who operate the Comstock Minerals Company's mining operation near the Buckeye Mine in Lyon County. Progress was made as we identified and relocated over ten hazards which were previously identified by NDOM. Both Mr. Saylor and Mr. Hopper agreed to properly fence or secure each site and provide photos and documentation. A letter will be drafted as to summarize this visit and sent to Mr. Saylor, the CEO of Comstock Minerals Company.
2. Spent two days locating AML hazards on the Virginia City quadrangle, and a day locating hazards on the New Empire quadrangle, specifically in an area near Mound House, Nevada. This was completed in response to a call from a private citizen, who had concerns about an adit. Ten sites were identified, two of them were hazardous and both were immediately secured and posted.

3. Efforts on the V & T AML project continued with the finalization of the initial list of AML sites that will be revisited and secured. Data collected from last week was analyzed and a small securing program was initiated to secure a high hazard which was previously unsecured. This site will be completely secured next week, a temporary posting was placed and a barricade was constructed. Revisits continued and contact was made with private property owner Mr. Doug Brown who gave permission to help him complete his fencing project. He has run out of money and has an injured leg. Near his house is a shaft that is a high ranked hazard, it is also within 30 yards of State Route 341.
4. Met with Washoe County personnel at the Red Hill AML securing project site. Assisted Mike with an interview discussing the bat gate installation and the AML program. Also helped with the oversight for the installation of the Red Hill bat gate (WA-103).
5. Met with Jenni of NDOW and Brian of EPS at the Long mine site near Lovelock. Walked each site (PE-604 through PE-615) at the mine site and evaluated each site for an appropriate closure method. Began to design a bat friendly cable type securing over PE-612 and decided that a fence securing would be the most effective method over a couple other openings. Observed EPS, repost and secure each site.
6. Met with Mike Visser and Rick from the City of Sparks for a field visit to identify AML hazards in the Wedekind mining district and to discuss closure options and long-term plans.
7. Investigated a report of dynamite in an abandoned mine adit (LY-366) with a representative of the Mine Inspector's Office. Result was a false report.
8. Assisted and taught geology and mining related classes for Nevada teachers as part of a workshop sponsored by the Nevada Mining Association. Support staff for the entire four day event including two days of field trips visiting mine sites near Las Vegas, Nevada.
9. Attended the Educational Workshop meeting which summarized the results of the Las Vegas meeting and provided guidance and insight for the upcoming workshop in Reno during July.
10. Attended the GSN meeting in Reno.

AML / GIS (RACHEL)

1. Revised the hazard list for the sites in the area surrounding the Virginia and Truckee Railroad route in order to send it to Peter Herrera. Compiled maps of the area to aid in revisit work.
2. Sent out notification letters to new claimants and newly researched sites that are in our records as unsecured. Began receiving phone calls and e-mails regarding the status of these sites. Several claimants have phoned to inform the Division that they are no longer the current owner. This information will be checked and updated in the database.
3. Updated the database with new logging and securing information from contractor Brian Breiter. Added photos to the staging folder and conducted new land research.
4. Received a phone call from Steve Bowers in Virginia City responding to our notification letter. He expressed his frustration in trying to keep the hazards secured. He will post signs and take photos of the securing work for our records. He also informed us of two unsecured sites south of Silver City. These sites will be revisited the week of April 16th.
5. Contacted by Zach Dirksen with Timberline Resources regarding the notification letter received for hazards in the Eureka Area. He requested additional information on the sites

and stated that they would mitigate the features. Maps, photos, sketches and shapefiles for the hazards on claims controlled by Timberline Resources were sent.

6. Received shapefiles of all of Newmont's mining claims. This data will be used to compile information on hazards and abandoned mine land features on Newmont property. A meeting with Newmont is planned for April 26th to discuss mitigating these sites and sharing our data. The sharing of data will help Newmont to move forward with securing hazards and sending us the necessary documentation.
7. Traveled to the Como area with Peter Herrera to search for new sites for training with the summer interns. Several sites were visited. Work that was completed by Brian Breiter last year is holding up well despite the high amount of visitation the area receives. Several specific locations in this area could be used for training with the summer interns.
8. Updated the database with new securing information and compiled a "Recent Work Completed" map for the upcoming CMR meeting.
9. Continued work on revising the summer interns schedule.
10. Spoke with Ken Maas with the USFS regarding logging and securing work planned for the summer interns in Santa Rosa Range north of Winnemucca. Discussed the areas that the Forest Service has visited and what will need to be investigated by our summer interns. We were able to come up with a plan of action for the area. The interns will be visiting the sites in late July.
11. Spoke with Naomi with Enexco regarding unsecured hazards on claims controlled by them. Sent maps and hazard ID sheets so that they may begin the securing process. Sent maps and photos to Golden Chain, Inc. regarding unsecured sites in Washoe County.
12. Sent maps and spreadsheets updated by GeoTemps contractor Kate Schnoor to the GIS person with GRG International regarding unsecured hazards in Yerington.
13. Compiled maps, shapefiles and spreadsheets for hazards located on Newmont claims throughout Nevada. Traveled with Peter Herrera to Elko to meet with Joan Dunn in the Newmont Land Department in order to discuss AML on Newmont Claims.
14. Received an e-mail request from Rory Lamp with NDOW regarding sites with Bat Gates in the Virginia City area. Responded and send a list of the sites in question
15. Traveled to Jacks Valley Elementary School to conduct Earth Day Presentations with Linda Carrion and Valerie Kneefel. Three thirty minute sessions were taught on rocks and minerals to a total of 75 third graders (3 presentations – 75 people).
16. Attended the education committee meeting at the Nevada Mining Association with Valerie Kneefel. Discussed the upcoming July Workshop and rocks and minerals that will need to be collected. Valerie volunteered to coordinate efforts during the upcoming northern Nevada workshop.
17. Traveled to Las Vegas for the Teachers Workshop. Worked on setting up classrooms for sessions, assembling rock boxes for teachers and putting together all of the supplies needed for the teachers and sessions. Taught Rocks, Minerals, Topographic Maps and Abandoned Mines and Mining in a Nutshell during the workshop. The topographic map session was co-taught by Pete Herrera who also aided in both the Rocks and Minerals sessions. Accompanied the teachers on a trip to PABCO Gypsum and Valley of Fire and then to Mineral Park in Arizona for the optional day field trip. Helped to answer several questions concerning rocks, minerals and geology during the field trips.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Data and photograph database entry for contractor re-visits and re-securings completed in Nye County.
2. Conducted an inspection of the securing work completed at the Bullion Mine as requested by contractor and property owner in the Goodsprings District. Thirteen mine openings were fenced or barricaded and posted with warning signs. Excellent work.
3. Conducted site visit with claimant in the Johnnie District in Nye County. Verified that the AML hazard was on his claim. It will be secured in the next 1-2 weeks.
4. Investigated and ranked one hazard in Nye County near Johnnie. Site visit with a Nye Gold Seekers prospector club member who discovered the hazard.
5. Assisting callers and responding to e-mail requests for information from claimants and property owners receiving recent AML notification letters.
6. Participated in the bi-monthly progress report conference calls for the BLM/ACOE/BOR AML closure projects – Northern Nevada, Lincoln and White Pine Counties.
7. Conducted a reconnaissance site visit to Eagle candidate Anthony Hartley’s project area near Searchlight. The project is scheduled for May 19 – four previously secured hazards will be re-secured.
8. Assembled materials for Ross Tate’s Eagle Service Project scheduled for April 20.
9. Completed Ross Tate’s Eagle Scout Service Project. Five previously secured mine openings were completely re-secured. An existing fence surrounding two hazards was repaired and new warning signs installed – Goodsprings District – Clark County. This is the 128th completed Scout project.
10. Collected barite for teacher workshop mineral kits from source near Goodsprings.
11. 23rd Annual Southern Nevada Earth Science Education Workshop; assisted with set up of displays, materials and classrooms; coordinated teacher credit; taught sessions: Minerals, Rocks, “Paste with a Taste” and “Birdseed Mining”, Play-Doh Fault and Fold Modeling” and AML (one presentation – 20 people); led field trip to Aggregate Industries, Cashman Equipment and McCaw School of Mines; co-leader of Mineral Park Post Workshop tour.
12. Participated in an NvMA Education Committee meeting via conference call. Re-cap of the Las Vegas teacher workshop and planning for the July Reno workshop.
13. Meeting held with Ken Reim, Kurt Arnold, Clark County School District and David Miller, CCSD Coordinator, K-12 Science and Health Curriculum and Professional Development Division to discuss ways to increase advertising of NvMA/NDOM teacher workshops and to enhance earth science and mineral education in the curriculum.
14. Presented minerals and commodities, “Birdseed Mining” and AML to 6 classes of 3rd graders at Wallin Elementary School, Henderson (5 presentations – 150 students).
15. Attended the McCaw School of Mines Foundation Gala at Sam’s Town Live – assisted with set-up and clean-up.

GEOHERMAL (LOWELL)

1. Reviewed HSS II’s sundry notice to perform a tracer test at Tuscarora. Sundry was not approved at this time at the request of Russ Land at UIC, due to three damaged flow meters on site (damage caused from freezing fluid in flow meters).
2. Reviewed Gradient Resources’ sundry notice to flow test the Patua 44-21. Alan approved.

3. Reviewed Magma Energy's sundry notice to run an injection test on the 41B-33 production well. Forwarded request to Russ Land, UIC, for his review.
4. Reviewed Ormat Nevada's Project Area application for Tungsten Mountain, where the future wells drilled and operated within the Project Area will be through Ormat Nevada's subsidiary ORNI 32 LLC.
5. Reviewed ORNI 32 LLC's permit application and drilling program for the Tungsten Mountain 67-22 observation well. The well is proposed to be cored when coming out of surface casing. The proposed total depth is 4,000 feet. Waiting on BLM notification of approval.
6. Reviewed ORNI 43's (Ormat Nevada) Project Area Permit Application for their Tungsten Mountain project. This area is located north of Highway 50 on the east side of Dixie Valley. The Project area includes up to ten production wells (to 5,000 feet in depth), five injection wells (to 5,000 feet in depth, and ten observation wells (to 4,000 feet in depth). The area includes eleven sections, full and partial, in T21N R38E. Alan approved.
7. Reviewed the ORNI 43 Tungsten Mountain 67-22 observation well permit application and drilling program. The well is proposed to be drilled to a total depth of 4,000. Received BLM notification of approval. Alan approved.
8. Reviewed US Geothermal's sundry notice to reclassify the San Emidio OB-10 observation well to a production well. Alan approved.
9. Reviewed Gradient Geothermal's sundry notice for a flow test of the 85-19 ST2 currently being drilled. Alan approved.
10. Reviewed Magma Energy's sundry notice to perform an injection test in the 41B-33 production well. Discussed with Russ Land, where he approved of the test. Alan approved.
11. Reviewed Beowawe Power's (Terra-Gen) sundry notice for MI testing in the Beowawe 85-18 injection well. Russ Land at UIC reviewed and approved of procedure. Alan approved.
12. Reviewed Ormat Nevada's sundry request to re-enter the Steamboat 21-5R production well for pump fitment. Alan approved.
13. Reviewed Ormat Nevada's sundry request to re-enter the Steamboat PW2-1 production well to retrieve pump for repair or replacement. Alan approved.
14. Alan issued a letter to Homestretch Geothermal 2010 LLC allowing Homestretch Geothermal to avoid re-injection of the geothermal fluids currently being produced for the generation of electricity, as long as geothermal reservoir is not affected. A portion of the additional geothermal fluids may be used for secondary use.
15. Wells drilling/completed: Gradient Resources Patua 85-19 ST2 production well; Enel Stillwater 23A-29; HSS II Tuscarora 65C-8; US Geothermal San Emidio OW-8 observation well; US Geothermal San Emidio 45-21 observation well.

OIL AND GAS (LOWELL)

1. Reviewed Bright Sky Energy and Minerals Inc. permit application and drilling program. The proposed drilling location is in White River Valley, Nye County, in T8N R61E, Section 35. The proposed total depth is 12,500 feet. Waiting on BLM to approve.

2. Reviewed Makoil's sundry notice to re-enter the Dry Lake 21-21R well in Railroad Valley. Makoil has requested to deepen the well. Received BLM's notification of approval. Alan approved.
3. Reviewed Makoil's sundry notice for a change in operatorship of the G&H Energy Federal 33-44 from G&H Energy to Makoil. Steve Hollis, with G&H Energy, concurred. Alan approved.
4. Reviewed Makoil's sundry notice for a change in the casing program for the Federal 33-44 well in Railroad Valley. Received BLM notification of approval. Alan approved.
5. Worked on Federal lease map of the Railroad Valley area obtained by John Stout. John wanted to find out why Federal Acreage within the map was not coming to auction. Identified potential lease areas as either federal or private.
6. Alan, John Snow, and I met with Gary Johnson, John Menghini, Justin Abernathy, and Lorenzo Trimble of the BLM to discuss leasing issues on the above mentioned map. Justin Abernathy is looking into reasons as to why federally managed lands (sixteen areas) are not coming up for lease.
7. Drilling/Completion: None.

OTHER (LOWELL)

1. Attended the Nevada Petroleum Society meeting on Thursday, April 5th. Dr. Andrew Hanson discussed the geochemistry of Railroad Valley oils, showing there are separate and unique Paleozoic and Tertiary oil generation sources.
2. Visited the Enel Stillwater 23A-29 drilling location.
3. Darrell Carter, BLM P.E.T., turned in his resignation to the BLM. Darrell's last day at the BLM was April 7th.
4. Attended 'webinar' on DOE's geothermal exploration on Wednesday, April 11th.
5. Met with Rick Taylor, Western General, to discuss an upcoming exploration projects.
6. Attended a State Agencies conference call concerning NDOW's recommendations for drilling sump construction/fencing/netting/bird-balling. Representatives from NDOM, Commission on Mineral Resources, DWR, NDEP and NDOW participated in the call. The recommendations were written as comments from NDOW to the BLM concerning Gradient Resources' EA for their Patua 2 project near Hazen.